

# FYE 2009 Review - Annual Financial Report

School District: Laurel County  
 Audit Firm Name: Christian, Sturgeon & Associates, PSC  
 Date: 2/9/2010  
 1st Audit Reviewer: Ken Smith  
 2nd Audit Reviewer:

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|  | Un-audited AFR | Audited AFR   | Difference  | Audit Report  | Difference     | Comments   |
|--|----------------|---------------|-------------|---------------|----------------|--|
| <b>Fund 1 (General) (110)</b>                                |                |               |             |               |                |  |
| Revenue (Local) - 1XXX                                       | 12,166,114.89  | 12,141,946.13 | 24,168.76   | 12,041,381.00 | 100,565.13     | Classification difference between audit and AFR              |
| Revenue (State) - 3900 (On-Behalf Payments)                  | 11,193,414.86  | 11,211,616.66 | -18,201.80  | 0.00          | 11,211,616.66  |  |
| Revenue (State) - 3XXX (Not 3900)                            | 37,604,213.28  | 37,726,259.75 | -122,046.47 | 48,937,876.00 | -11,211,616.25 |  |
| Revenue (Federal) - 4XXX                                     | 183,261.29     | 183,261.29    | 0.00        | 183,262.00    | -0.71          |  |
| Total Revenues   | 61,147,004.32  | 61,263,083.83 | -116,079.51 | 61,162,519.00 | 100,564.83     |  |
| Expenditures-Not including Transfers Out or On Behalf        | 48,640,951.82  | 48,529,493.41 | 111,458.41  | 59,741,111.00 | -11,211,617.59 |  |
| Expenditures-On Behalf                                       | 11,193,414.86  | 11,211,616.66 | -18,201.80  | 0.00          | 11,211,616.66  |  |
| Total Expenditures   | 59,834,366.68  | 59,741,110.07 | 93,256.61   | 59,741,111.00 | -0.93          |  |
| Excess (Deficiency) of Revenues Over Expenditures            | 1,312,637.64   | 1,521,973.76  | -209,336.12 | 1,421,408.00  | 100,565.76     |  |
| Other Financing Sources - Not Transfers In                   | 28,043.59      | 28,043.59     | 0.00        | 128,609.00    | -100,565.41    | Classification difference between audit and AFR              |
| Other Financing Sources - Transfers In Only - 52XX Transfers | 2,269.00       | 2,269.00      | 0.00        | 2,269.00      | 0.00           |  |
| Other Financing Uses - Not Transfers Out                     | 0.00           | 0.00          | 0.00        | 0.00          | 0.00           |  |
| Other Financing Uses - Transfers Out Only                    | 177,046.00     | 177,046.00    | 0.00        | 177,046.00    | 0.00           |  |
| Total Other Financing Sources, Uses and Transfers            | -146,733.41    | -146,733.41   | 0.00        | -46,168.00    | -100,565.41    |  |
| Net Change in Fund Balance                                   | 1,165,904.23   | 1,375,240.35  | -209,336.12 | 1,375,240.00  | 0.35           |  |
| Beginning Fund Balance - July 1                              | 4,882,376.36   | 4,882,376.36  | 0.00        | 4,882,378.00  | -1.64          |  |
| Ending Balance - June 30                                     | 6,048,280.59   | 6,257,616.71  | -209,336.12 | 6,257,618.00  | -1.29          |  |
|  | Un-audited AFR | Audited AFR   | Difference  | Audit Report  | Difference     | Comments   |
| <b>On-Behalf Payments Comparison - Fund 1</b>                |                |               |             |               |                |  |
| On-Behalf Revenues by Fund                                   | 11,193,414.86  | 11,211,616.66 | -18,201.80  | 0.00          | 11,211,616.66  | On behalf payments are not reported separately in the audit. |
| On-Behalf Expenditures by Fund                               | 11,193,414.86  | 11,211,616.66 | -18,201.80  | 0.00          | 11,211,616.66  | On behalf payments are not reported separately in the audit. |
| Difference   | 0.00           | 0.00          | 0.00        | 0.00          | 0.00           |  |

|   | Un-audited AFR | Audited AFR  | Difference  | Audit Report | Difference | Comments  |
|---|----------------|--------------|-------------|--------------|------------|---|
| Fund 2 (Special Revenue) (220)                                |                |              |             |              |            |   |
| Revenue (Local) - 1XXX  | 21,883.40      | 21,883.40    | 0.00        | 21,885.00    | -1.60      |   |
| Revenue (State) - 3900 (On-Behalf Payments) not project 168X  | 44,480.63      | 44,480.63    | 0.00        | 0.00         | 44,480.63  | Classification difference between audit and AFR |
| Revenue (State) - 3900 (On-Behalf Payments) project 168X only | 0.00           | 0.00         | 0.00        | 0.00         | 0.00       |   |
| Revenue (State) – 3XXX (not 3900)                             | 2,936,135.52   | 2,938,055.71 | -1,920.19   | 2,982,536.00 | -44,480.29 | Classification difference between audit and AFR |
| Revenue (Federal) – 4XXX                                      | 6,598,806.50   | 6,598,806.50 | 0.00        | 6,598,806.00 | 0.50       |   |
| Total Revenues  | 9,601,306.05   | 9,603,226.24 | -1,920.19   | 9,603,227.00 | -0.76      |   |
| Expenditures-Not including Transfers Out and not 0280         | 9,656,585.00   | 9,778,003.24 | -121,418.24 | 9,778,004.00 | -0.76      |   |
| Expenditures-On Behalf without object 168X                    | 0.00           | 0.00         | 0.00        | 0.00         | 0.00       |   |
| Expenditures-On Behalf with object 168X only                  | 0.00           | 0.00         | 0.00        | 0.00         | 0.00       |   |
| Total Expenditures  | 9,656,585.00   | 9,778,003.24 | -121,418.24 | 9,778,004.00 | -0.76      |   |
| Excess (Deficiency) of Revenues Over Expenditures             | -55,278.95     | -174,777.00  | 119,498.05  | -174,777.00  | 0.00       |   |
| Other Financing Sources - Not Transfers In                    | 0.00           | 0.00         | 0.00        | 0.00         | 0.00       |   |
| Other Financing Sources - Transfers In Only – 52XX Transfers  | 57,547.95      | 177,046.00   | -119,498.05 | 177,046.00   | 0.00       |   |
| Other Financing Uses - Not Transfers Out                      | 0.00           | 0.00         | 0.00        | 0.00         | 0.00       |   |
| Other Financing Uses - Transfers Out Only                     | 2,269.00       | 2,269.00     | 0.00        | 2,269.00     | 0.00       |   |
| Total Other Financing Sources, Uses and Transfers             | 55,278.95      | 174,777.00   | -119,498.05 | 174,777.00   | 0.00       |   |
| Net Change in Fund Balance                                    | 0.00           | 0.00         | 0.00        | 0.00         | 0.00       |   |
| Beginning Fund Balance - July 1                               | 0.00           | 0.00         | 0.00        | 0.00         | 0.00       |   |
| Ending Balance - June 30                                      | 0.00           | 0.00         | 0.00        | 0.00         | 0.00       |   |
|   | Un-audited AFR | Audited AFR  | Difference  | Audit Report | Difference | Comments  |
| On-Behalf Payments Comparison - Fund 2                        |                |              |             |              |            |   |
| Revenue (State) - 3900 (On-Behalf Payments) not project 168X  | 44,480.63      | 44,480.63    | 0.00        | 0.00         | 44,480.63  |   |
| Revenue (State) - 3900 (On-Behalf Payments) project 168X only | 0.00           | 0.00         | 0.00        | 0.00         | 0.00       |   |
| Expenditures-On Behalf without object 168X                    | 0.00           | 0.00         | 0.00        | 0.00         | 0.00       |   |
| Expenditures-On Behalf with object 168X only                  | 0.00           | 0.00         | 0.00        | 0.00         | 0.00       |   |
| Difference  | 0.00           | 0.00         | 0.00        | 0.00         | 0.00       |   |

|  | Un-audited AFR | Audited AFR  | Difference | Audit Report  | Difference    | Comments  |
|--|----------------|--------------|------------|---------------|---------------|---|
| <b>Fund 310 (Capital Outlay) (310)</b>                       |                |              |            |               |               |   |
| Revenue (Local) - 1XXX                                       | 0.00           | 0.00         | 0.00       | 0.00          | 0.00          |   |
| Revenue (State) – 3XXX                                       | 823,867.00     | 823,867.00   | 0.00       | 823,867.00    | 0.00          |   |
| Total Revenues   | 823,867.00     | 823,867.00   | 0.00       | 823,867.00    | 0.00          |   |
| Expenditures-Not including Transfers Out                     | 9,959.83       | 0.00         | 9,959.83   | 0.00          | 0.00          |   |
| Total Expenditures   | 9,959.83       | 0.00         | 9,959.83   | 0.00          | 0.00          |   |
| Excess (Deficiency) of Revenues Over Expenditures            | 813,907.17     | 823,867.00   | -9,959.83  | 823,867.00    | 0.00          |   |
| Other Financing Sources - Not Transfers In                   | 0.00           | 0.00         | 0.00       | 0.00          | 0.00          |   |
| Other Financing Sources - Transfers In Only – 52XX Transfers | 0.00           | 0.00         | 0.00       | 0.00          | 0.00          |   |
| Other Financing Uses - Not Transfers Out                     | 0.00           | 0.00         | 0.00       | 0.00          | 0.00          |   |
| Other Financing Uses - Transfers Out Only                    | 0.00           | 0.00         | 0.00       | 823,867.00    | -823,867.00   | Program error - program did not include transfer out, function 5200, object 0910            |
| Total Other Financing Sources, Uses and Transfers            | 0.00           | 0.00         | 0.00       | -823,867.00   | 823,867.00    |   |
| Net Change in Fund Balance                                   | 813,907.17     | 823,867.00   | -9,959.83  | 0.00          | 823,867.00    |   |
| Beginning Fund Balance - July 1                              | 0.00           | 0.00         | 0.00       | 0.00          | 0.00          |   |
| Ending Balance - June 30                                     | 813,907.17     | 823,867.00   | -9,959.83  | 0.00          | 823,867.00    |   |
|  | Un-audited AFR | Audited AFR  | Difference | Audit Report  | Difference    | Comments  |
| <b>Fund 320 (Building) (320)</b>                             |                |              |            |               |               |   |
| Revenue (Local) - 1XXX                                       | 4,336,944.00   | 4,336,944.00 | 0.00       | 4,336,944.00  | 0.00          |   |
| Revenue (State) – 3XXX                                       | 2,982,872.00   | 2,982,872.00 | 0.00       | 2,982,872.00  | 0.00          |   |
| Total Revenues   | 7,319,816.00   | 7,319,816.00 | 0.00       | 7,319,816.00  | 0.00          |   |
| Expenditures-Not including Transfers Out                     | 0.00           | 0.00         | 0.00       | 0.00          | 0.00          |   |
| Total Expenditures   | 0.00           | 0.00         | 0.00       | 0.00          | 0.00          |   |
| Excess (Deficiency) of Revenues Over Expenditures            | 7,319,816.00   | 7,319,816.00 | 0.00       | 7,319,816.00  | 0.00          |   |
| Other Financing Sources - Not Transfers In                   | 0.00           | 0.00         | 0.00       | 0.00          | 0.00          |   |
| Other Financing Sources - Transfers In Only – 52XX Transfers | 0.00           | 0.00         | 0.00       | 0.00          | 0.00          |   |
| Other Financing Uses - Not Transfers Out                     | 0.00           | 0.00         | 0.00       | 0.00          | 0.00          |   |
| Other Financing Uses - Transfers Out Only                    | 0.00           | 0.00         | 0.00       | 7,319,816.00  | -7,319,816.00 | Program error - program did not include transfer out, function 5200, objects 0910 and 0914. |
| Total Other Financing Sources, Uses and Transfers            | 0.00           | 0.00         | 0.00       | -7,319,816.00 | 7,319,816.00  |   |
| Net Change in Fund Balance                                   | 7,319,816.00   | 7,319,816.00 | 0.00       | 0.00          | 7,319,816.00  |   |
| Beginning Fund Balance - July 1                              | 0.00           | 0.00         | 0.00       | 0.00          | 0.00          |   |
| Ending Balance - June 30                                     | 7,319,816.00   | 7,319,816.00 | 0.00       | 0.00          | 7,319,816.00  |   |

|  | Un-audited AFR | Audited AFR    | Difference | Audit Report   | Difference     | Comments |
|--|----------------|----------------|------------|----------------|----------------|----------|
| Fund 360 (Construction) (360)                                |                |                |            |                |                |          |
| Revenue (Local) - 1XXX                                       | 44,023.69      | 44,023.69      | 0.00       | 44,024.00      | -0.31          |          |
| Revenue (State) – 3XXX                                       | 0.00           | 0.00           | 0.00       | 0.00           | 0.00           |          |
| Revenue (State) - 3900 (On-Behalf Payments)                  | 0.00           | 0.00           | 0.00       | 0.00           | 0.00           |          |
| Revenue (Federal) – 4XXX                                     | 0.00           | 0.00           | 0.00       | 0.00           | 0.00           |          |
| Total Revenues   | 44,023.69      | 44,023.69      | 0.00       | 44,024.00      | -0.31          |          |
| Expenditures-Not including Transfers Out                     | 10,279,308.44  | 10,279,308.44  | 0.00       | 10,279,308.00  | 0.44           |          |
| Expenditures-On Behalf                                       | 0.00           | 0.00           | 0.00       | 0.00           | 0.00           |          |
| Total Expenditures   | 10,279,308.44  | 10,279,308.44  | 0.00       | 10,279,308.00  | 0.44           |          |
| Excess (Deficiency) of Revenues Over Expenditures            | -10,235,284.75 | -10,235,284.75 | 0.00       | -10,235,284.00 | -0.75          |          |
| Other Financing Sources - Not Transfers In - Not 52XX        | 0.00           | 0.00           | 0.00       | 0.00           | 0.00           |          |
| Other Financing Sources - Transfers In Only – 52XX Transfers | 2,845,629.22   | 2,855,589.05   | -9,959.83  | 2,855,589.00   | 0.05           |          |
| Other Financing Uses - Not Transfers Out                     | 0.00           | 0.00           | 0.00       | 0.00           | 0.00           |          |
| Other Financing Uses - Transfers Out Only                    | 0.00           | 0.00           | 0.00       | 0.00           | 0.00           |          |
| Total Other Financing Sources, Uses and Transfers            | 2,845,629.22   | 2,855,589.05   | -9,959.83  | 2,855,589.00   | 0.05           |          |
| Net Change in Fund Balance                                   | -7,389,655.53  | -7,379,695.70  | -9,959.83  | -7,379,695.00  | -0.70          |          |
| Beginning Fund Balance - July 1                              | 0.00           | 0.00           | 0.00       | 10,291,384.00  | -10,291,384.00 |          |
| Ending Balance - June 30                                     | -7,389,655.53  | -7,379,695.70  | -9,959.83  | 2,911,689.00   | -10,291,384.70 |          |
|  | Un-audited AFR | Audited AFR    | Difference | Audit Report   | Difference     | Comments |
| On-Behalf Payments Comparison - Fund 360                     |                |                |            |                |                |          |
| On-Behalf Revenues by Fund                                   | 0.00           | 0.00           | 0.00       | 0.00           | 0.00           |          |
| On-Behalf Expenditures by Fund                               | 0.00           | 0.00           | 0.00       | 0.00           | 0.00           |          |
| Difference   | 0.00           | 0.00           | 0.00       | 0.00           | 0.00           |          |

|  | Un-audited AFR | Audited AFR   | Difference | Audit Report  | Difference | Comments |
|--|----------------|---------------|------------|---------------|------------|----------|
| Fund 400 - Debt Service Fund                                 |                |               |            |               |            |          |
| Revenue Local (1XXX)   | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Revenue State (3XXX)   | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Total Revenues   | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Expenditures - Not Including Transfers Out                   | 5,288,093.95   | 5,288,093.95  | 0.00       | 5,288,094.00  | -0.05      |          |
| Total Expenditures   | 5,288,093.95   | 5,288,093.95  | 0.00       | 5,288,094.00  | -0.05      |          |
| Excess (Deficiency) of Revenues Over Expenditures            | -5,288,093.95  | -5,288,093.95 | 0.00       | -5,288,094.00 | 0.05       |          |
| Other Financing Sources - Not Transfers In                   | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Other Financing Sources - Transfers In Only – 52XX Transfers | 5,288,093.95   | 5,288,093.95  | 0.00       | 5,288,094.00  | -0.05      |          |
| Other Financing Uses - Not Transfers Out                     | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Other Financing Uses - Transfers Out Only                    | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Total Other Financing Sources, Uses and Transfers            | 5,288,093.95   | 5,288,093.95  | 0.00       | 5,288,094.00  | -0.05      |          |
| Net Change in Fund Balance                                   | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Beginning Fund Balance - July 1                              | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Ending Balance - June 30                                     | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
|  | Un-audited AFR | Audited AFR   | Difference | Audit Report  | Difference | Comments |
| Fund 410 - Debt Service Fund - SFCC                          |                |               |            |               |            |          |
| Revenue Local (1XXX)   | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Revenue State (3XXX)   | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Total Revenues   | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Expenditures - Not Including Transfers Out                   | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Total Expenditures   | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Excess (Deficiency) of Revenues Over Expenditures            | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Other Financing Sources - Not Transfers In                   | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Other Financing Sources - Transfers In Only – 52XX Transfers | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Other Financing Uses - Not Transfers Out                     | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Other Financing Uses - Transfers Out Only                    | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Total Other Financing Sources, Uses and Transfers            | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Net Change in Fund Balance                                   | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Beginning Fund Balance - July 1                              | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |
| Ending Balance - June 30                                     | 0.00           | 0.00          | 0.00       | 0.00          | 0.00       |          |

|  | Un-audited AFR | Audited AFR   | Difference  | Audit Report  | Difference     | Comments  |
|--|----------------|---------------|-------------|---------------|----------------|---|
| Total Governmental Funds   |                |               |             |               |                |   |
| Total Revenues - Governmental Funds                                    | 78,936,017.06  | 79,054,016.76 | -117,999.70 | 78,953,453.00 | 100,563.76     |   |
| Total Expenditures - Governmental Funds                                | 85,068,313.90  | 85,086,515.70 | -18,201.80  | 85,086,517.00 | -1.30          |   |
| Excess (Deficiency) of Revenues Over Expenditures - Governmental Funds | -6,132,296.84  | -6,032,498.94 | -99,797.90  | -6,133,064.00 | 100,565.06     |   |
| Total Other Financing Sources, Uses and Transfers - Governmental Funds | 8,042,268.71   | 8,171,726.59  | -129,457.88 | 128,609.00    | 8,043,117.59   |   |
| Net Change in Fund Balance - Governmental Funds                        | 1,909,971.87   | 2,139,227.65  | -229,255.78 | -6,004,455.00 | 8,143,682.65   |   |
| Beginning Fund Balance - July 1 - Governmental Funds                   | 4,882,376.36   | 4,882,376.36  | 0.00        | 15,173,762.00 | -10,291,385.64 |   |
| Ending Fund Balance - June 30 - Governmental Funds                     | 6,792,348.23   | 7,021,604.01  | -229,255.78 | 9,169,307.00  | -2,147,702.99  |   |
|  | Un-audited AFR | Audited AFR   | Difference  | Audit Report  | Difference     | Comments  |
| Food Service - Funds 51 and 81 (510) (810)                             |                |               |             |               |                |   |
| Operating Revenue - Not Interest Income (Local) - 1XXX                 | 1,779,795.49   | 1,779,795.49  | 0.00        | 1,779,373.00  | 422.49         | Fund 81 revenue classified differently between audit and AFR  |
| Total Operating Revenues   | 1,779,795.49   | 1,779,795.49  | 0.00        | 1,779,373.00  | 422.49         |   |
| Expenditures-Not including Transfers Out or On-behalf                  | 5,156,886.80   | 5,138,817.80  | 18,069.00   | 3,440,387.00  | 1,698,430.80   | Difference of \$1,946,566 is acquisition of capital assets less realized loss, see audit report, page 18. |
| Expenditures-On Behalf   | 266,337.80     | 248,136.00    | 18,201.80   | 0.00          | 248,136.00     |   |
| Expenditures - Depreciation Only (Fund 81)                             | 389,266.51     | 389,266.51    | 0.00        | 389,267.00    | -0.49          |   |
| Total Operating Expenses   | 5,812,491.11   | 5,776,220.31  | 36,270.80   | 3,829,654.00  | 1,946,566.31   |   |
| Operating Income (Loss)  | -4,032,695.62  | -3,996,424.82 | -36,270.80  | -2,050,281.00 | -1,946,143.82  |   |
| Non-Operating Revenue - Interest Income Only (Local) - 1510            | 7,264.57       | 7,264.57      | 0.00        | 7,265.00      | -0.43          |   |
| Revenue (State) - 3XXX   | 52,748.00      | 52,748.00     | 0.00        | 300,884.00    | -248,136.00    |   |
| Revenue (State) - 3900 (On-Behalf Payments)                            | 266,337.80     | 248,136.00    | 18,201.80   | 0.00          | 248,136.00     |   |
| Donated Commodities - 4550   | 0.00           | 0.00          | 0.00        | 226,192.00    | -226,192.00    |   |
| Revenue (Federal) - 4XXX, not 4550                                     | 3,112,850.17   | 3,123,366.50  | -10,516.33  | 2,897,175.00  | 226,191.50     |   |
| Revenue (Other) - Not transfers In- 5XXX                               | 0.00           | 0.00          | 0.00        | 0.00          | 0.00           |   |
| Expenditures Other - Not Transfers Out                                 | 0.00           | 0.00          | 0.00        | 0.00          | 0.00           |   |
| Revenue Fund 81 (All)  | -422.68        | -422.68       | 0.00        | 0.00          | -422.68        | Fund 81 revenue classified differently between audit and AFR  |
| Expenditures Fund 81 - Not Depreciation                                | 0.00           | 0.00          | 0.00        | 0.00          | 0.00           |   |
| Total Non-Operating Revenues (Expenses) Before Transfers               | 3,438,777.86   | 3,431,092.39  | 7,685.47    | 3,431,516.00  | -423.61        |   |
| Other Financing Sources - Transfers In Only - 52XX Transfers           | 0.00           | 0.00          | 0.00        | 0.00          | 0.00           |   |
| Other Financing Uses - Transfers Out Only                              | 0.00           | 0.00          | 0.00        | 0.00          | 0.00           |   |
| Net Transfers In (Out)   | 0.00           | 0.00          | 0.00        | 0.00          | 0.00           |   |
| Change in Net Assets   | -593,917.76    | -565,332.43   | -28,585.33  | 1,381,235.00  | -1,946,567.43  |   |
| Beginning Net Assets - July 1  | 405,932.64     | 405,932.64    | 0.00        | 405,931.00    | 1.64           | Fund 51 - balance per prior year audit  |
| Beginning Net Assets - July 1  | 0.00           | 0.00          | 0.00        | 7,950,924.00  | -7,950,924.00  | Fund 81 - balance per prior year audit - difference to be determined                                      |
| Fund 51 and 81 Ending Net Assets - June 30                             | -187,985.12    | -159,399.79   | -28,585.33  | 9,738,090.00  | -9,897,489.79  |   |

|  | Un-audited AFR | Audited AFR | Difference | Audit Report | Difference | Comments   |
|--|----------------|-------------|------------|--------------|------------|--|
| Day Care Operations - Fund 52                                |                |             |            |              |            |  |
| Operating Revenue - Not Interest Income (Local) - 1XXX       | 111,063.00     | 111,063.00  | 0.00       | 0.00         | 111,063.00 | All proprietary funds, other than Food Service, are combined as "Other Enterprise Funds" in the audit. See fund 5X |
| Total Operating Revenues                                     | 111,063.00     | 111,063.00  | 0.00       | 0.00         | 111,063.00 |  |
| Expenditures-Not including Transfers Out                     | 109,119.33     | 109,119.33  | 0.00       | 0.00         | 109,119.33 |  |
| Expenditures - Depreciation Only (Fund 81)                   | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Total Operating Expenses                                     | 109,119.33     | 109,119.33  | 0.00       | 0.00         | 109,119.33 |  |
| Operating Income (Loss)                                      | 1,943.67       | 1,943.67    | 0.00       | 0.00         | 1,943.67   |  |
| Revenue - Interest Income Only (Local) - 1510                | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Revenue (State) - 3XXX                                       | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Revenue (State) - 3900 (On-Behalf Payments)                  | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Revenue (Federal) - 4XXX, not 4550                           | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Revenue (Other) - Not transfers In- 5XXX                     | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Expenditures Other - Not Transfers Out                       | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Total Non-Operating Revenues (Expenses) Before Transfers     | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Other Financing Sources - Transfers In Only - 52XX Transfers | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Other Financing Uses - Transfers Out Only                    | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Net Transfers In (Out)                                       | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Net Income (Loss)  | 1,943.67       | 1,943.67    | 0.00       | 0.00         | 1,943.67   |  |
| Beginning Net Assets - July 1                                | 42,945.82      | 42,945.82   | 0.00       | 0.00         | 42,945.82  |  |
| Ending Net Assets - June 30                                  | 44,889.49      | 44,889.49   | 0.00       | 0.00         | 44,889.49  |  |

|  | Un-audited AFR | Audited AFR | Difference | Audit Report | Difference | Comments   |
|--|----------------|-------------|------------|--------------|------------|--|
| Adult Education operations - Fund 54                         |                |             |            |              |            |  |
| Operating Revenue - Not Interest Income (Local) - 1XXX       | 9,440.00       | 9,440.00    | 0.00       | 0.00         | 9,440.00   | All proprietary funds, other than Food Service, are combined as "Other Enterprise Funds" in the audit. See fund 5X |
| Total Operating Revenues                                     | 9,440.00       | 9,440.00    | 0.00       | 0.00         | 9,440.00   |  |
| Expenditures-Not including Transfers Out                     | 9,053.41       | 9,053.41    | 0.00       | 0.00         | 9,053.41   |  |
| Total Operating Expenses                                     | 9,053.41       | 9,053.41    | 0.00       | 0.00         | 9,053.41   |  |
| Operating Income (Loss)                                      | 386.59         | 386.59      | 0.00       | 0.00         | 386.59     |  |
| Operating Revenue - Interest Income Only (Local) - 1510      | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Revenue (State) – 3XXX                                       | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Revenue (State) - 3900 (On-Behalf Payments)                  | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Revenue (Federal) - 4XXX, not 4550                           | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Revenue (Other) - Not transfers In– 5XXX                     | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Expenditures Other - Not Transfers Out                       | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Total Non-Operating Revenues (Expenses) Before Transfers     | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Other Financing Sources - Transfers In Only – 52XX Transfers | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Other Financing Uses - Transfers Out Only                    | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Net Transfers In (Out)                                       | 0.00           | 0.00        | 0.00       | 0.00         | 0.00       |  |
| Net Income (Loss)  | 386.59         | 386.59      | 0.00       | 0.00         | 386.59     |  |
| Beginning Net Assets - July 1                                | 977.20         | 977.20      | 0.00       | 0.00         | 977.20     |  |
| Ending Net Assets - June 30                                  | 1,363.79       | 1,363.79    | 0.00       | 0.00         | 1,363.79   |  |



|  | Un-audited AFR | Audited AFR   | Difference | Audit Report  | Difference    | Comments  |
|--|----------------|---------------|------------|---------------|---------------|---|
| Other Enterprise (Proprietary) Funds - 5X                                    |                |               |            |               |               |   |
| Operating Revenue - Not Interest Income (Local) - 1XXX                       | 7,500.08       | 7,500.08      | 0.00       | 126,103.00    | -118,602.92   | All proprietary funds, other than Food Service, are combined as "Other Enterprise Funds" in the audit. See funds 52 and 54. |
| Total Operating Revenues   | 0.00           | 0.00          | 0.00       | 126,103.00    | -126,103.00   |   |
| Expenditures-Not including Transfers Out                                     | 6,764.99       | 6,764.99      | 0.00       | 124,938.00    | -118,173.01   |   |
| Total Operating Expenses   | 6,764.99       | 6,764.99      | 0.00       | 124,938.00    | -118,173.01   |   |
| Operating Income (Loss)  | -6,764.99      | -6,764.99     | 0.00       | 1,165.00      | -7,929.99     |   |
| Revenue - Interest Income Only (Local) - 1510                                | 0.00           | 0.00          | 0.00       | 0.00          | 0.00          |   |
| Revenue (State) - 3XXX   | 0.00           | 0.00          | 0.00       | 0.00          | 0.00          |   |
| Revenue (State) - 3900 (On-Behalf Payments)                                  | 0.00           | 0.00          | 0.00       | 0.00          | 0.00          |   |
| Revenue (Federal) - 4XXX, not 4550   | 0.00           | 0.00          | 0.00       | 0.00          | 0.00          |   |
| Revenue (Other) - Not transfers In- 5XXX                                     | 0.00           | 0.00          | 0.00       | 1,900.00      | -1,900.00     |   |
| Expenditures Other - Not Transfers Out                                       | 0.00           | 0.00          | 0.00       | 0.00          | 0.00          |   |
| Total Non-Operating Revenues (Expenses) Before Transfers                     | 0.00           | 0.00          | 0.00       | 1,900.00      | -1,900.00     |   |
| Other Financing Sources - Transfers In Only - 52XX Transfers                 | 0.00           | 0.00          | 0.00       | 0.00          | 0.00          |   |
| Other Financing Uses - Transfers Out Only                                    | 0.00           | 0.00          | 0.00       | 0.00          | 0.00          |   |
| Net Transfers In (Out)   | 0.00           | 0.00          | 0.00       | 0.00          | 0.00          |   |
| Net Income (Loss)  | -6,764.99      | -6,764.99     | 0.00       | 3,065.00      | -9,829.99     |   |
| Beginning Net Assets - July 1  | 13,161.23      | 13,161.23     | 0.00       | 57,085.00     | -43,923.77    |   |
| Ending Net Assets - June 30  | 6,396.24       | 6,396.24      | 0.00       | 60,150.00     | -53,753.76    |   |
|  | Un-audited AFR | Audited AFR   | Difference | Audit Report  | Difference    | Comments  |
| Total Proprietary Funds  |                |               |            |               |               |   |
| Total Operating Revenues - Proprietary Funds                                 | 1,900,298.49   | 1,900,298.49  | 0.00       | 1,905,476.00  | -5,177.51     |   |
| Total Operating Expenses - Proprietary Funds                                 | 5,937,428.84   | 5,901,158.04  | 36,270.80  | 3,954,592.00  | 1,946,566.04  |   |
| Operating Income (Loss) - Proprietary Funds                                  | -4,037,130.35  | -4,000,859.55 | -36,270.80 | -2,049,116.00 | -1,951,743.55 |   |
| Total Non-Operating Revenues (Expenses) Before Transfers - Proprietary Funds | 3,438,777.86   | 3,431,092.39  | 7,685.47   | 3,433,416.00  | -2,323.61     |   |
| Net Transfers In (Out) - Proprietary Funds                                   | 0.00           | 0.00          | 0.00       | 0.00          | 0.00          |   |
| Net Income (Loss) - Proprietary Funds  | -598,352.49    | -569,767.16   | -28,585.33 | 1,384,300.00  | -1,954,067.16 |   |
| Net Assets, July 1, 2008 - Proprietary Funds                                 | 462,039.69     | 462,039.69    | 0.00       | 8,413,940.00  | -7,951,900.31 |   |
| Net Assets, June 30, 2009 - Proprietary Funds                                | -136,312.80    | -107,727.47   | -28,585.33 | 9,798,240.00  | -9,905,967.47 |   |

|   | Un-audited AFR | Audited AFR  | Difference | Audit Report | Difference | Comments   |
|---|----------------|--------------|------------|--------------|------------|--|
| Fiscal Agent Funds - Fund 6X                            |                |              |            |              |            |  |
| Additions (Local) - 1XXX                                | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
| Additions (State) – 3XXX                                | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
| Total Additions   | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
| Deductions  | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
| Total Deductions  | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
| Change in Net Assets                                    | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
| Beginning Net Assets - July 1                           | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
| Ending Net Assets - June 30                             | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
|   | Un-audited AFR | Audited AFR  | Difference | Audit Report | Difference | Comments   |
| Trust and Agency Funds - Fund 7XXX                      |                |              |            |              |            |  |
| Additions (Local) - 1XXX                                | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
| Additions (State) – 3XXX                                | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
| Total Additions   | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
| Deductions  | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
| Total Deductions  | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
| Change in Net Assets                                    | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
| Beginning Net Assets - July 1                           | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
| Ending Net Assets - June 30                             | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
|   | Un-audited AFR | Audited AFR  | Difference | Audit Report | Difference | Comments   |
| Total Fiduciary Funds                                   |                |              |            |              |            |  |
| Total Additions - Fiduciary Funds                       | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
| Total Deductions - Fiduciary Funds                      | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
| Change in Net Assets - Fiduciary funds                  | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
| Beginning Net Assets July 1 - Fiduciary Funds           | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
| Ending Net Assets - June 30 - Fiduciary Funds           | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
|   | Un-audited AFR | Audited AFR  | Difference | Audit Report | Difference | Comments   |
| Fund 51 On-Behalf Payments Comparison                   |                |              |            |              |            |  |
| Fund 51 - On-Behalf Revenues                            | 266,337.80     | 248,136.00   | 18,201.80  | 0.00         | 248,136.00 | On behalf payments are not reported seperately in the audit. |
| Fund 51 - On-Behalf Expenditures                        | 266,337.80     | 248,136.00   | 18,201.80  | 0.00         | 248,136.00 | On behalf payments are not reported seperately in the audit. |
| Fund 51 - Difference On-Behalf Revenues to Expenditures | 0.00           | 0.00         | 0.00       | 0.00         | 0.00       |  |
|   | Un-audited AFR | Audited AFR  | Difference | Audit Report | Difference | Comments   |
| Depreciation Expense (0740)                             |                |              |            |              |            |  |
| Depreciation Expense - Fund 8                           | 4,756,971.14   | 4,756,971.14 | 0.00       | 4,756,971.00 | 0.14       | See audit report, page 30, note E                            |
| Depreciation Expense - Fund 81                          | 389,266.51     | 389,266.51   | 0.00       | 389,267.00   | -0.49      | See audit report, page 30, note E                            |

|   | Un-audited AFR | Audited AFR    | Difference | Audit Report   | Difference    | Comments  |
|---|----------------|----------------|------------|----------------|---------------|---|
| On-Behalf Payments Comparison - Total All Funds |                |                |            |                |               |   |
| On-Behalf Payments (AFR - KDE Web)              | 11,504,233.29  | 11,504,233.29  | 0.00       | 11,458,438.12  | 45,795.17     | Difference to be determined                       |
| On-Behalf Payments (Audit)                      | 0.00           | 0.00           | 0.00       | 0.00           | 0.00          | See audit report, page 36, note Q - \$11,504,233. |
| On-Behalf Payments (Audit - KDE Web)            | -11,504,233.29 | -11,504,233.29 | 0.00       | -11,458,438.12 | -45,795.17    |   |
|   | Un-audited AFR | Audited AFR    | Difference | Audit Report   | Difference    | Comments  |
| Government Assets - Fund 8                      |                |                |            |                |               |   |
| Additions                                       | -17,050.40     | -17,050.40     | 0.00       | 0.00           | -17,050.40    | Not evaluating at this time                       |
| Deductions                                      | 4,756,971.14   | 4,756,971.14   | 0.00       | 0.00           | 4,756,971.14  |   |
| Change Total assets                             | -4,774,021.54  | -4,774,021.54  | 0.00       | 0.00           | -4,774,021.54 |   |
| Beginning Net Assets - July 1                   | 0.00           | 0.00           | 0.00       | 0.00           | 0.00          |   |
| Ending Net Assets - June 30                     | -4,774,021.54  | -4,774,021.54  | 0.00       | 0.00           | -4,774,021.54 |   |
|   | Un-audited AFR | Audited AFR    | Difference | Audit Report   | Difference    | Comments  |
| Food Service Assets - Fund 81                   |                |                |            |                |               |   |
| Additions                                       | -422.68        | -422.68        | 0.00       | 0.00           | -422.68       | Not evaluating at this time                       |
| Deductions                                      | 389,266.51     | 389,266.51     | 0.00       | 0.00           | 389,266.51    |   |
| Change Total assets                             | -389,689.19    | -389,689.19    | 0.00       | 0.00           | -389,689.19   |   |
| Beginning Net Assets - July 1                   | 0.00           | 0.00           | 0.00       | 0.00           | 0.00          |   |
| Ending Net Assets - June 30                     | -389,689.19    | -389,689.19    | 0.00       | 0.00           | -389,689.19   |   |
|   | Un-audited AFR | Audited AFR    | Difference | Audit Report   | Difference    | Comments  |
| Day Care Assets - Fund 82                       |                |                |            |                |               |   |
| Additions                                       | 0.00           | 0.00           | 0.00       | 0.00           | 0.00          |   |
| Deductions                                      | 0.00           | 0.00           | 0.00       | 0.00           | 0.00          |   |
| Change Total assets                             | 0.00           | 0.00           | 0.00       | 0.00           | 0.00          |   |
| Beginning Net Assets - July 1                   | 0.00           | 0.00           | 0.00       | 0.00           | 0.00          |   |
| Ending Net Assets - June 30                     | 0.00           | 0.00           | 0.00       | 0.00           | 0.00          |   |
|   | Un-audited AFR | Audited AFR    | Difference | Audit Report   | Difference    | Comments  |
| Adult Education Assets - Fund 84                |                |                |            |                |               |   |
| Additions                                       | 0.00           | 0.00           | 0.00       | 0.00           | 0.00          |   |
| Deductions                                      | 0.00           | 0.00           | 0.00       | 0.00           | 0.00          |   |
| Change Total assets                             | 0.00           | 0.00           | 0.00       | 0.00           | 0.00          |   |
| Total Assets - July 1, 2008                     | 0.00           | 0.00           | 0.00       | 0.00           | 0.00          |   |
| Total Assets - June 30, 2009                    | 0.00           | 0.00           | 0.00       | 0.00           | 0.00          |   |

|  | Un-audited AFR | Audited AFR   | Difference | Audit Report | Difference    | Comments                    |
|--|----------------|---------------|------------|--------------|---------------|-----------------------------|
| Other Enterprise (Proprietary) Fund Assets - Fund 8X |                |               |            |              |               |                             |
| Additions  | 0.00           | 0.00          | 0.00       | 0.00         | 0.00          |                             |
| Deductions   | 0.00           | 0.00          | 0.00       | 0.00         | 0.00          |                             |
| Change Total assets                                  | 0.00           | 0.00          | 0.00       | 0.00         | 0.00          |                             |
| Beginning Net Assets - July 1                        | 0.00           | 0.00          | 0.00       | 0.00         | 0.00          |                             |
| Ending Net Assets - June 30                          | 0.00           | 0.00          | 0.00       | 0.00         | 0.00          |                             |
|  | Un-audited AFR | Audited AFR   | Difference | Audit Report | Difference    | Comments                    |
| Total Fixed Assets                                   |                |               |            |              |               |                             |
| Total Additions - Fixed Assets                       | -17,473.08     | -17,473.08    | 0.00       | 0.00         | -17,473.08    | Not evaluating at this time |
| Total Deductions - Fixed Assets                      | 5,146,237.65   | 5,146,237.65  | 0.00       | 0.00         | 5,146,237.65  |                             |
| Change in Total Fixed Assets                         | -5,163,710.73  | -5,163,710.73 | 0.00       | 0.00         | -5,163,710.73 |                             |
| Beginning Net Assets - July 1 - Fixed Assets         | 0.00           | 0.00          | 0.00       | 0.00         | 0.00          |                             |
| Ending Net Assets - June 30 - Fixed Assets           | -5,163,710.73  | -5,163,710.73 | 0.00       | 0.00         | -5,163,710.73 |                             |